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FM AMEMBASSY BEIJING
TO RUEHC/SECSTATE WASHDC PRIORITY 6944
RUEHOO/CHINA POSTS COLLECTIVE
RUEAEPA/HQ EPA WASHDC
RHMFIUU/DEPT OF ENERGY WASHINGTON DC
RUCPDO/DEPT OF COMMERCE WASHDC
RUCPDC/NOAA NMFS WASHDC
RHEHNSC/NSC WASHDC

UNCLAS SECTION 01 OF 03 BEIJING 002535

SIPDIS

SENSITIVE
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STATE FOR OES/WATSON, OES/EGC-DEROSA-JOYNT AND OES/PCI
STATE FOR APP/GTHOMPSON
STATE FOR EAP/CM - WARD
STATE PASS TO CEQ CONNAUGHTON AND BANKS
NSC FOR HUNTER, SHRIER, TONG
USDOE FOR INTERNATIONAL/HARBERT, FREDRICKSEN AND GEBERT
USDOE FOR S-1 M WILLIAMSON AND JKUPFER
USDOE FOR EERE PDICKERSON, JMIZROCH, AND MGINSBERG
EPA FOR INTERNATIONAL/MCASKILL AND AYRIS
USDOC FOR JNEUHOFF

E.O. 12958: N/A

TAGS: [ENRG](#) [TRGY](#) [PREL](#) [PGOV](#) [SENV](#) [CH](#)

SUBJECT: ENERGY EFFICIENCY AND RENEWABLE ENERGY TECHNOLOGY
COOPERATION - MINISTRY OF SCIENCE AND TECHNOLOGY DESIGNATES MINISTRY
OF CONSTRUCTION TO LEAD GREEN BUILDING TECHNOLOGY

REF. (A) Beijing 00346

11. (SBU) Summary: At a meeting on March 28, 2007, the Ministry of Science and Technology (MOST) informed Mark Ginsberg, Member of the Board of Directors, DOE Office of Energy Efficiency and Renewable Energy (Ginsberg), that the Ministry of Construction (MOC) has the lead in negotiating the Energy Efficient Buildings Annex (the EE Annex) to the "Protocol between the Department of Energy and the Ministry of Science and Technology of the People's Republic of China for Cooperation in the Fields of Energy Efficiency and Renewable Energy Technology (EERE Protocol)". Ginsberg discussed the DOE EERE proposal to build a Center of Excellence on the second floor of the Agenda 21 Building and discussed details for its implementation with Zhou Yuan, the new Director General of the MOST National Research Center for Science and Technology for Development (NRCSTD) and Yang Guoxiong, NRCSTD's former Director General. Since the second floor has been vacant since March 2006, Yang would like to see the Center of Excellence project completed by September, 12007. According to Yang, participation of United States companies without violating rules against private advertising will require a marketing plan and a memorandum of understanding which could serve as a model for the future U.S.-China cooperation.

Background: The Agenda 21 Building

12. (U) The Agenda 21 Building (the Building) is the first building in Beijing to be rated by the U.S. Green Building Council at a Leadership in Energy and Environmental Design (LEED) Gold level s use of energy conservation building technologies. The Department of Energy funded building technology for the Agenda 21 Building through in-kind contributions from private industry and technical assistance provided by the Lawrence Berkeley National Laboratory and the Natural Resources Defense Council during the building planning and design stage.

13. (U) The Agenda 21 Building is 13,000 square meters; it achieves over 70 per cent energy efficient operations, using 51.3KW-hour per square meter per year, which constitutes 1/3 the consumption of the typical Beijing building. Although the Building is occupied by more

than 500 people, it achieves 10,000 cubic meters of water saving per year, yielding a water consumption rate of 64 per cent, per year when compared to a building of similar size using standard construction. If one were to convert the energy saving to Carbon Dioxide reduction, the Building accounts for a carbon dioxide emission reduction of 1560 tonnes per year over the 70-year life of a building. The Building saves the owner 710,000 RMB year in energy cost per year over a building's life span. If the cost of energy rises 1 per cent, per year, the total saving over the life of the building can fund another energy saving building.

14. (U) Four hundred twenty-two officials from 28 countries have visited the Building, a large number considering that it is not open to the public. The Building has hosted 5,000 architects and development officials from China and other countries, and has been the subject of media attention in China, the United States, Japan, Canada, and Europe. It serves as a national demonstration project for the China construction industry.

MOST Designates the MOC as the Lead for EE Annex Negotiation and Project Implementation

15. (SBU) Ginsberg met with Zhou Yuan, Deputy Director General, and Yang Guoxiong, Deputy Director, NRCSTD, MOST to discuss the process for negotiating the Energy Efficient Buildings Annex to the EERE Protocol and the creation of a Center of Excellence on the second floor of the Agenda 21 building. Zhou highlighted the success of the Building, citing it as a good example of cooperation with the United States. NRCSTD is responsible for China's Agenda 21 program.

The MOST Department of High and New Technology and Industrialization is in charge of policy and projects related to green and energy efficient building technology, while the MOST

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Department of Social Development works on the environmental protection aspects. Zhou was recently appointed Deputy Director General. At the time of the meeting, he was in the midst of a transition period with Yang, the former Deputy Director-General.

16. (SBU) Li Xin, Program Officer at MOST emphasized that his Ministry did not operate programs; rather it funds programs at research institutes and universities. Li stated that MOST has special grants for international cooperation projects to fund joint cooperation projects with a Chinese ministry and the United States, as an example. Applications for joint international projects are made to the MOST Department of International Cooperation. Li elaborated that, while MOST and MOC jointly develop research and development plans, the MOC is charged with organizing the research effort for green buildings; that the MOC is in charge of the EERE Protocol; and that the MOC will lead negotiations of the EE Annex negotiations. Li requested that DOE contact the MOC directly through the MOC Department of Science and Technology's Division of International Cooperation.

DOE Proposal for a Center of Excellence - Revenue Generation a Sticking Point

17. (SBU) Ginsberg presented the proposal for the joint development of the second floor of the Agenda 21 Building as a Center of Excellence to show-case United States energy efficient building technology. Funding would come through direct DOE funds as well as contributions, monetary and in-kind, from private industry, Ginsberg stated. DOE would like to establish a 6-8 member steering committee to oversee Center of Excellence operations. DOE would be actively engaged in the board through its representatives. Yang stated that there are many interested parties, and he needs to confer with higher level officials.

18. (SBU) Since MOST moved into its own building in March 2006, the second floor has been unoccupied, and the Center is anxious to move forward with the DOE proposal and generate revenue again, Yang emphasized. Discussions then centered on the 5-year draft budget for Center of Excellence operations that MOST prepared at DOE's request. Generally, Ginsberg noted that the budget was in the

ballpark, but he reserved further comment until he could complete further study in Washington.

¶9. (SBU) Ginsberg suggested that the long-term goal would be to make the Center of Excellence self-sustaining. Ginsberg elaborated that the plan is to seek participation by United States companies willing to pay to exhibit in the space. Ginsberg stated DOE is considering whether to include the Center of Excellence as a Flagship project under the Asia Pacific Partnership cooperation, thus using the Center of Excellence as a regional resource on high performance buildings for other countries in the region. The Center of Excellence could also serve as a training facility, educating officials and design professionals on the benefits and techniques of green and efficient building design.

¶10. (SBU) Yang had concerns about the corporate funding concept. Yang stated that the biggest challenge is to identify funding to implement the demonstration center, since the U.S.-China Agenda 21 Building project had experienced several set backs as a result of cutbacks to the original level of private sector financial commitment made by the United States. Moreover, stating several times that the building is a government building, and that the Center of Excellence would be designed to promote the public welfare and not to promote private enterprise, he had concerns about the form of corporate participation. Yang cautioned that demonstration of technologies would be in the public interest, but blatant advertising would not.

¶11. (SBU) Yang will readily acknowledge corporate contributors through wall plaques, brochures, and the like, but stated that it was not appropriate for a company to advertise in the space. However, Yang remained open to discuss ways in which United States

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companies can participate in the building without violating the rules against private advertising. Yang agreed to develop a marketing plan that would look at ways private companies could participate, and to develop a project schedule. Yang stated he would like to see budget worked out in time to finish construction in September. Yang requested that a new Memorandum of Understanding to cover the agreement on the Center for Excellence be developed as a model for U.S.-China technical cooperation. Yang will serve as the point of contact for the Center for Excellence.

¶12. (SBU) Ginsberg agreed that further discussions are needed to define the benefits that would accrue to a company willing to participate in the project and what form participation will take. Ginsberg requested that MOST provide the marketing plan as quickly as possible. Ginsberg will convey to DOE the request for a quick resolution of the budget issues and a written agreement to govern the cooperation, promising to provide a prompt response, he added.

¶13. (SBU) Participants:

Ministry of Science and Technology, Peoples Republic of China:

Zhou Yuan, Deputy Director-General, National Research Center for Science and Technology for Development (NRCSTD,

Yang Guoxiong, Deputy Director, NRCSTD

Peng Sizhen, Director, Division of Clean Technology Development, The Administrative Centre for China's Agenda 21

Jin Ruidong, Green Buildings Project Manager, Natural Resources Defense Council

United States:

Mark Ginsberg, Member of the Board of Directors, DOE Office of Energy Efficiency and Renewable Energy

Maria Holleran Rivera, DOE Attach, Embassy of the United States

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